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HANDBOOK

FOR

BOARD

MEMBERS

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A HANDBOOK FOR BOARD MEMBERS

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A WORD ABOUT THIS HANDBOOK.....

This has been a hard manual to write. Most books dealing with boards describe the functions so broadly you are still left wondering, as you finish, just what exactly you, as a board member, are supposed to do. This manual, if anything, goes too far the other way. In the pages that follow there are probably more activities listed in more detail than you will ever want.

The activities and check lists are there so the work can easily be divided into manageable tasks, tasks which even first-time board members can undertake with confidence. Pick and choose among the activities. As a board member, you are a volunteer. You give your time and talent, and in return you can try new talents and develop new skills.

The manual addresses those of you who are members of the boards of Area Agencies on Aging. Most of what is in the manual, however, applies equally well to the work of AAA Advisory Council members, and to members of the Home Care Corporation boards. The chapter for the Membership Committee is probably the one section only AAA board members will find directly applicable. The Home Care board members will find the Personnel

and Finance Committee chapters applicable to their work. The opening chapter, with background on AAA's and an overview of board roles, and the chapter addressed to board and committee chairs, should be relevant to everyone.

Enjoy your term on the board. You are part of a unique system which offers you a chance to affect not only the programs in your own community, but also the policies governing services to all the elderly. As an Area Agency board member, you are in a position to make a difference in the lives of a great many people.

FOR ALL THE MEMBERS OF THE BOARD

Do you know whether your Area Agency's hiring practices comply with the federal regulations, or whether the moneys are coming in and going out according to the Annual Plan? Do you wonder, as a board member, whether you are responsible for these matters, or whether it is the concern of the staff?

Many who sit on the boards of Area Agencies on Aging (AAA's) these days are asking themselves just such questions, and with good reason. The spotlight today is on governance, and boards of all kinds are reviewing their roles and responsibilities. For AAA board members, there is even more reason. AAA's are a new breed of social service agency, privately governed, but more regulated than others. This poses added questions for the members of the AAA boards.

This handbook has been written to offer some answers. Its purpose is to offer guidelines for your role as a board member within the "aging network". It deals with what you must do, and what you may do, and suggests ways to go about your tasks.

The materials are not to be taken as regulations. Each board is different, and has its own way of doing business.

The models in the following pages are for you to consider and to adapt to your own needs, not necessarily to adopt as presented. And again, as stated in the introduction, while the manual is addressed specifically to those who serve on the boards of Area Agencies, Advisory Council members and members of the boards of Home Cares will find most of its pages equally relevant to them.

Why Area Agencies are Different

A brief look at the history of the AAA's and their place in the "aging network" will help explain what makes them unique. The Area Agencies on Aging were created in 1973 by an Act of Congress. The Title III Amendment, as it is called, adds a community-based network to the structure at the federal and state levels which already existed to serve the elderly. The network is composed of Area Agencies on Aging, through which most of the programs funded by federal and state government are actually provided. The AAA's thus serve as the operational partner of a nation-wide system made up of the Federal Administration on Aging, the state agencies, and the AAA's at the local level.

The money to fund both network and programs is allocated by the Congress to the Administration on Aging at the Department of Health, Education, and Welfare. The Administration on

Aging (AOA) distributes the funds to the individual states, setting guidelines to assure their use will meet the intent of Congress. Each state, in turn, sets objectives within those guidelines, and distributes the funds among the AAA's within its borders. The AAA's then allocate the money for specific programs within the framework of the objectives and guidelines already established, and based on approval of an Area Plan.

In Massachusetts the Department of Elder Affairs (DEA) serves as the state agency through which flow the Administration on Aging funds. When the Title III Amendment was passed calling for the development of a community-based network, the Department of Elder Affairs decided to use existing agencies, rather than create new ones.

The 23 AAA's which exist as of June, 1979, come from 21 Home Cares which were designated as AAA's one Municipal Commission on Affairs of the Elderly which also serves as an AAA, and only one AAA which was created just for that purpose. As their governance structure and programmatic scope vary somewhat, a brief explanation of each category follows:

- . The 21 AAA's which grew from existing Home Care Corporations have both a governing board and an Advisory Council. They both provide Title XX Home Care services, and administer the Title III funds for the area.
- . In Boston, the Commission on Affairs of the Elderly serves as the AAA of the area. City officials staff the AAA, and set the policy. Citizen involvement

comes only through the Advisory Committee. The Boston AAA only administers the Title III funds. DEA contracts directly with the three Home Care Corporations in Boston for the delivery of Title XX Home Care services. Each Boston Home Care has its own board.

- . The new AAA is in the Worcester County area, and like the 21 AAA's which grew from Home Cares, has both a board and an Advisory Council. But the Worcester County AAA only administers the Title III funds. As in the case of Boston, DEA contracts directly with the three Home Care Corporations in that area for Title XX Home Care services. And again like Boston, each of the Home Cares has its own board.

Accountability follows the same path as the funds. The Administration on Aging (AOA) must be able to show the Congress that the funds are well managed, and spent for the purposes intended by law. To do this, the AOA must know the states are managing and spending their funds appropriately, and the states in turn must be assured the AAA's are doing the same. (And in the Worcester area and Boston, if the Home Cares have Title III grants from their respective AAA's, the Home Cares must assure their AAA's that all is well and in compliance.)

Much of the procedures AAA's must follow come from this need to demonstrate the correct use of the funds. Chief among these procedures is the Area Plan. Before any money is given, the AOA requires each state to submit for approval an area

plan showing how funds will be used. Similarly, State Agencies require their Area Agencies to submit an area plan for approval before funds are passed along. And periodically, the AOA will sit down with the state agency, and the state agency with its AAA's to see if the plans are being followed, and to offer technical assistance if needed.

The board of governance of an agency oversees the way in which an agency spends its funds. It is you, the individual members of the various AAA boards, who thus become the prime link in this chain.

AAA Board Functions

To carry out its mission all this means that an AAA board performs those functions of a regular board of governance, but within guidelines set by the federal and state funding sources. As a board, it is your role:

- . to set policies and priorities to govern the services delivered;
- . to hire a Director;
- . to establish personnel policies and procedures;
- . to oversee the management of the funds;
- . to review the quality of the programs and services offered by the AAA; and
- . to make sure the agency complies with all laws pertinent to its operation.

But unlike other boards, an AAA has some special opportunities and obligations because it is part of a unique federal/state/area network, and these can color the way in which the various functions are carried out.

Each of the functions listed above is described in detail in the pages which follow. The materials are divided into six chapters:

- . This first chapter deals with the roles and responsibilities of an AAA board, the supports and checks offered by DEA, the policy decisions the board can and cannot make, and ways in which the board may influence the larger network. It is recommended reading for all board members.
- . The next three chapters are addressed to the three key committees of the board - The Finance Committee, the Personnel Committee, and Membership (or Nominating) Committee. You may want to read only the one or two chapters which apply directly to your own position, or you may want to glance quickly through each to get a sense of the scope of the work. Each chapter contains:
 - . an outline of the purpose of the committee;
 - . specific activities by which the purpose can be carried out;
 - . some general considerations to bear in mind as you undertake the suggested activities; and
 - . the legal requirements which must be followed.

. Finally, there is a chapter addressed to the President of the Board, which is also recommended reading for Committee Chairpersons.

These materials are to be considered as guidelines. Each board will want to review them with an eye to the individual group's particular interests and skills. But bear in mind that activities similar to the ones listed are virtually essential if a board is to fulfill its purpose.

Board Organization and Committee Structure

You will find, in the following pages, that the various functions have been broken down into specific activities, and that these activities have been assigned to various committees. Committees are the action elements of a board, and a few, solidly operating, are essential. A good committee structure allows:

- . thorough attention to each important area;
- . particular interests and skills to be used or developed;
- . new leadership to emerge; and
- . specific tasks to be assigned, so that every board member can share meaningfully in the work of the whole group.

But regardless of which individuals actually do the work in any area, it is the whole board who always remains responsible

for the decisions taken. This not only makes for good participation; it is also the law. Recent rulings have held that each member is equally accountable for any actions taken in the name of the board. This places a special responsibility on each committee to bring thorough and ongoing reports to the board as a whole. It also places a responsibility on each board member to keep informed of committee activities.

It is best if the "standing" or permanent committees of the board are few. In general, most boards will only need one for financial matters, one to deal with personnel, and one to handle the unusually complicated membership needs of an AAA. Issues of program and policy are best dealt with by the board as a whole. You may wish to set up a committee to monitor and evaluate the agency's services, or you may wish to delegate that responsibility to the Advisory Council. Ad hoc task forces can usually handle other issues requiring in depth study as they arise.

An Executive Committee made up of board officers and Committee Chairpersons can be useful in coordinating tasks and conducting emergency business that may arise between board meetings. However, an Executive Committee must resist the temptation to function as a Super Board, taking on decisions which belong to the board as a whole.

Members should be asked periodically on which committees they would like to serve. Some may wish to develop new skills, explore new concerns, or exercise some particular talent of which most other members were unaware. It is useful to have one or two non-experts on the Finance and Personnel committees. It not only provides good training, but also ensures the reports will be clear and understandable to the public. Bear in mind, also that non-board members can serve on committees or ad hoc task forces, and this provides a good channel for the use of Advisory Council members or the expert you may only need on one particular problem.

Finally, each committee needs a written description of its function and tasks. While these descriptions should contain both purpose and activities, only the purpose should be included in the by-laws. Specific activities need to be revised from time to time as needs and regulations change, and by-laws don't allow for that flexibility.

Now, a discussion of the specific board functions already listed.

1. To Set Policy

To set policy means to establish the direction and priorities of an agency. Normally, policies are broad in scope, few in number, and precisely stated. They answer the

questions about whom the agency serves, and how.

It is the responsibility of the board to set policy. Just how these policies will be carried out - what kind of programs, how many people will be served - is the responsibility of the agency staff. However, in the case of an AAA, this distinction cannot be as easily made.

The questions of whom to serve and how have largely been answered by the federal and state guidelines. Therefore, in order to be involved at all in setting priorities or direction, an AAA board may find itself in areas normally left to staff. This may create tensions between board and staff unless the issue is dealt with frankly and openly.

A word about the two main funds may help explain this point. In Title XX, policy has already been set: who can be served, and with what programs, are issues that have been well defined. The area of choice lies in which programs to emphasize, normally an operational decision left to staff. However, because AAA boards have such intimate knowledge of their communities, they may wish to work with staff in determining the priorities and planning details. They should realize, however, that staff may well be unused to board involvement in such matters.

In Title III, the board's role becomes more traditional. Since the boundaries are broader, the opportunity to set di-

rection is greater. There are clear areas of choice in terms of whom to serve and how. Further, there are two elements of Title III - pooling and advocacy - which are peculiarly suited to board initiative and leadership, with staff providing indispensable information on need and opportunity. The one exception lies in the area of the nutrition program where choosing specific sites for congregate meals is normally considered an operational matter, and therefore a staff responsibility.

Another policy decision for boards to make is whether to seek other funds, either public or private, for additional services.

Questions of policy should be reviewed each spring, as the staff begins to develop the next year's annual plan. Even though the board has the final say, policy is best served by board and staff working together to review the needs of the area and the options available. Because of the unusual policy constraints, a strong working relationship between board and Director, based on mutual respect and an understanding of the prerogatives of each, is indispensable to the effective functioning of the agency.

2. To Hire a Director

The quality of an agency's program depends more on the quality of the agency's staff, than on any other single

factor. Hiring the Director is the most important task a board undertakes.

The initial work is generally delegated to the Personnel Committee. The Committee drafts the job description, develops the process, screens the applicants, and presents to the board the two or three finalists for their consideration and final decision. The board reviews the job description and the selection process before the committee actually begins the search.

It is important for the Director to have the major say in choosing the rest of the staff, since the board holds the Director accountable for the agency's well being. Just how large a say will vary board to board. Some boards - through their Personnel Committee - like to work closely with the Director in recruiting, interviewing, and selecting candidates for key positions. Most boards prefer to let the Director pick his or her own staff, as long as need, job description, qualifications, and reasons for the final choice are reviewed with the Personnel Committee. On the whole, because the Director is responsible for the agency, it is better to give that person more, rather than less authority in choosing the staff.

The one exception to this rule is the choice of the Financial Officer, a position of particular concern to the board because of the board's responsibility for the management

of the funds. The selection usually is a joint decision of the Finance Committee and the Director, with approval of the board.

The Personnel Committee usually conducts the annual performance evaluation of the Director. However, if it wishes, a board can put together an ad hoc group of three or four for this purpose.

3. To Establish Personnel Policies and Procedures

While the policies and procedures are the board's responsibilities, the Personnel Committee develops recommendations to consider, and drafts the final policies for the board to adopt. The tangible evidence of the way a board feels about its staff are set out in these policies. They define:

- . the terms and conditions of employment;
- . hiring practices;
- . compensation (wages and salaries);
- . employee benefits and services;
- . job descriptions and performance evaluation procedures;
- . opportunities for advancement and training; and
- . termination and resignation procedures.

A great deal of public attention nowadays is focussed on personnel matters, particularly on the hiring practices of an agency, where compliance with affirmative action and equal employment laws is mandated for all AAA's. DEA and

staff will keep you abreast of the required procedures, and each board member, whether on the committee or not, would do well to be aware of their provisions.

The board also asks the Personnel Committee to make an annual review of its personnel policies and procedures to see if changes are needed, and to report their recommendations to the board for its decision.

4. To Oversee the Management of the Funds

Management of the agency's moneys shares the spotlight of public attention with personnel practices. Because it is held accountable for the funds, each board needs a Finance Committee to keep it well posted on the financial planning and monthly expenditures of the AAA. And because of the doctrine of equal responsibility, each board member should take the time to understand the Finance Committee's reports.

If clearly presented, cash flow and payments should be no harder to grasp than your own household budget. What monthly financial reports should contain are listed in the chapter for the Finance Committee. At the very least, every member should know whether enough funds are likely to be received to justify the programs projected in the annual plan, what priorities are reflected in the annual budget, and the reasons for any significant differences between budget .

and expenditures during the course of the year.

The board's financial role is so important it is worth each year taking part of a board meeting to review the various ways in which that role is carried out. This can be done when the budget comes up for review and adoption. The budget itself needs very careful study. It is the public statement of the agency's direction for the year, and the standard by which the board will measure all income and expenditures. All board members need the time to clearly understand its meaning, and reflect on the numbers before voting its adoption.

5. To Review the Quality of the Programs

Here is another area in which an agency's work will be enhanced by a strong working relationship between board and staff. The setting of measurable objectives for each program, required in the Area Plan, gives a board a standard against which to judge the agency's success in delivering the planned scope of services. It is not so easy to measure the quality. Hard evidence of the need for the service, established criteria for the selection of providers, and the comments received by agency staff, by board members, and by providers themselves are helpful.

Happily, federal and state regulations require many of these elements to be included in the annual plan. The plan must show a demonstrated need for each service, and clearly

stated program objectives. A public hearing is required to receive comments about the plan, which should certainly produce comments about existing services as well.

What is less programmed is the periodic feedback during the year. Regular reports from the AAA's Advisory Councils are helpful, and those board members representing Councils on Aging can share comments they receive.

Most of the services offered by an AAA, other than case management, are purchased from other agencies. The contract between the AAA and the provider agency should be reviewed by the board before it is signed by the Director and President with the following questions in mind:

- . Does it reflect goals established for the program?
- . Does the Finance Committee feel the agency is financially responsible? and
- . Does the Personnel Committee feel the agency complies with affirmative action and other federal requirements?

If the agency with whom the AAA is contracting also has a board of governance, the appropriate members from each board - the President, and Chairpersons of the Finance and Personnel Committees or their designees - can meet and review the contract and their common concerns.

6. To Make Sure the AAA Complies with Legal Requirements

Every corporation has certain regulations to follow. Those corporations which spend public moneys have some added extras. AAA's, because of their link with state and federal governments, have still more. These regulations deal with financial reports, personnel procedures, board and advisory council memberships, and the filing of certain documents.

Most of these regulations fall within the area of a particular committee. Once a year a board will do well to review the full spectrum of requirements, to check on assignment of responsibilities, and to assure themselves that the necessary obligations have been discharged.

* * * * *

The Membership Committee

Thus far, two board committees have been discussed: the Finance Committee and the Personnel Committee. A third committee carries an equal importance.

It is a cliché that every board should be made up of committed and active members, but too few boards take the cliché seriously enough to have a year-round Membership Committee. In the case of an AAA board, two unique features

make the need compelling:

(1) Most private agencies have but one board. The AAA, by law, has not only its board of governance, but an Advisory Council as well.

(2) AAA board membership comes in large part from Councils on Aging. The Councils need to be kept abreast of AAA board needs, and the needs of the Advisory Council for whom they might have suggestions.

This system of governing board plus Advisory Council will depend for its success on:

- . a clearly defined mission for each group, made clear to all who take part in the selection process, either as nominators or as nominees;
- . procedures by which the two groups can interact constructively; and
- . the ability to identify and attract strong participants appropriate to the needs of each group.

These elements require the on-going attention of one group. In this manual the responsibilities have been given to the Membership Committee, and are explored in detail in the chapter addressed to its members.

By-Laws

The committee structure is reflected in the by-laws.

Every corporation needs by-laws, but best they be brief.

The by-laws need only cover:

- . how the Board of Directors and officers are selected;
- . how long they serve;
- . how notices of meetings are given;
- . how often meetings of the board take place;
- . how many members are necessary for a quorum;
- . the powers and responsibilities of the President, the Vice President, Secretary, and Treasurer;
- . the names of the standing committees and their purpose; and
- . how the by-laws can be amended.

Once adopted, the by-laws must be followed to make actions taken by the board legal. For instance, if the quorum numbers are not observed, or if the meeting notices do not go out in the minimum time specified, the actions you take can be challenged in court.

Liability of Board Members

Personal liability is an area of concern to some board members, and should be clearly understood for your own peace of mind.

The corporation is a separate legal entity, standing apart from its board members. For this reason it is unlikely

that board members will be held personally liable for actions taken by an AAA. There are two exceptions, however, of which you should be aware:

(1) Personal liability can be found when a clearly illegal or improper act is committed or authorized by the board.

(2) Individual board members can be held personally liable for unpaid corporate taxes, or fines and penalties for late payment.

In the old days, it used to be that only the President or the Finance Committee were held accountable. Recent court rulings, however, have found all members, regardless of position, equally responsible for the actions of the board.

Court suits happen very seldom, but to reassure yourselves you may want to consult legal counsel.

The Need for a Clear Plan

The usefulness of a good, clear plan cannot be overestimated. The mere process of developing a plan clarifies priorities and workload, and is of itself a useful exercise. The plan then serves as a standard for monitoring and evaluating your activities, allowing you to measure your accomplishments.

Plans are found in almost every facet of your work:

- . The budget is the plan for the agency's finances.
- . Personnel policies and procedures represent the plan for staff selection, dismissal, and support.
- . Job descriptions provide the plan for performance evaluations.
- . The agenda is the plan for a meeting.
- . The Area Plan is there for programs and services.

The development of a plan is a joint process of board and staff, with board making the final decisions on priorities and objectives. The monitoring and evaluation process is primarily the responsibility of staff, with board in an oversight role.

* * * * *

Finally, a word about the special opportunities a network offers you. Most boards operate alone. You are different. There are 23 Area Agencies in this state, all with a common purpose, working with the same funds and regulations on similar programs. You share a great deal in common. Link up. Talk to each other. Two things will happen:

(1) You will find your role as a board member easier and more stimulating by sharing your experiences and brainstorming with others those situations which seem to offer problems or promise.

(2) You will be able to affect the policies and regulations which govern the system of which you are a part. If there are federal or state requirements which hamper your programs, or fresh ideas which could be pursued, by speaking with a common voice you will command the attention of those who can actually bring about the change.

Acting as individual AAA board members, you can make a difference in your area. Acting collectively, AAA board members can make a difference in the broader policies which govern the system. It is a rare opportunity.

FOR THE FINANCE COMMITTEE

Purpose of the Committee: to oversee the financial management of the agency, and to provide board members with information necessary to their decision making.

Activities of the Committee:

With regard to the agency's financial management:

- . to select, with the Director, and recommend for board approval, the agency's financial officer;
- . to select and recommend for board approval an independent auditor; and
- . to review and recommend for board approval the agency's provisions for financial management.

With regard to the preparation of the annual budget:

- . to review the sources of funding, and assure compliance with their provisions;
- . to help to identify and secure matching funds;
- . to make sure priorities of the board are reflected in the allocation of funds; and
- . to review with staff and DEA entire budget document, and present it to the board for adoption.

With regard to monitoring on-going expenditures:

- . to review monthly expenditures with the staff;
- . to prepare a report for each board meeting, comparing monthly expenditures with budget projections;

- . to review fiscal aspects of contracts with other agencies;
- . to prepare financial briefings for new board members;
- . to meet with the outside auditor to review findings and annual report.

The list of activities on the previous page may look overwhelming. Actually, it isn't. Because of the Administration on Aging/Department of Elder Affairs/Area Agency structure outlined in the first chapter, most of the procedures by which an AAA manages its finances, puts together its budget, and tracks its expenditures have been spelled out by federal and state guidelines, and standard forms developed. In most cases, therefore, the board's responsibility through the Finance Committee is to see that these procedures are in place and are being followed.

While the quality of program may be the major concern of a board, what happens to the agency's money is apt to be the major concern of the public. Each board member, therefore, would do well to know at any given moment:

- . the purpose for which funds are requested;
- . the purpose for which funds are spent;
- . the provisions that have been made for responsible financial management;
- . the provisions that have been made to see that all legal requirements are met; and
- . that there is enough money to meet current and future obligations.

The Finance Committee keeps board members abreast of this information through reports given at each board meeting.

Membership:

In order to carry out its purpose, the Finance Committee needs members with time, and, between them:

- . an understanding of budget development;
- . an understanding of accounting practices;
- . a knowledge of financial management principles; and
- . an ability to translate numbers into terms understandable to the layman.

Five is a good number. The Treasurer of the board is always a member, and often chairs the committee. The other members need not all be financial experts. In fact, the board would be better served if they were not. At any given time there should be at least one neophyte who will ask the basic questions of "why" and "what does that mean", and will make sure the financial reports are understandable to the general public. The neophyte should probably be willing to do some extra homework in order not to hold up the work of the entire committee.

While non-board members can be added to other committees of the board, generally the Finance Committee is made of board members only. Advisory Council members could be added, however.

Financial Procedures

Every agency, like every individual, needs a method to keep

track of the moneys needed, the moneys received, and the moneys spent. It is the board's responsibility to see that procedures exist which provide:

- . fiscal data on which to base budgets and other planning decisions;
- . an accurate record of incoming money and in-kind contributions;
- . continuous recording and control of expenditures;
- . periodic comparisons of actual income and expenditures with budgeted expectations; and
- . cost information for program evaluation.

Most of these procedures, as we have said, have already been developed by DEA. They not only provide sound fiscal management, but allow the AAA to meet federal and state requirements for controls, documentation, audits, and the proper use of restricted funds.

Beyond these procedures, a board has two other ways in which it keeps a check on the money:

(1) Every non-profit agency is required to have a yearly audit of its books by an outside auditor. The auditor is chosen by the Finance Committee and recommended to the board for its approval. The auditor goes over both the accuracy of the bookkeeping and the soundness of the fiscal procedures. The auditor submits an annual report to the agency, and reviews its findings with the Finance Committee.

(2) The board can require all checks be signed by both the Director and a board member, or the board may set a limit on the amount of any check the Director may sign alone. It is somewhat more efficient to let the Director sign the smaller checks and require two signatures only on the larger ones. Usually it is the Treasurer who signs for the board, but it is well to pick a substitute to sign when the Treasurer is not available, since the board does not want to put itself in the position of blocking prompt payment of the agency's bills.

Some of the fiscal procedures may be new to those who have not dealt with public funds. A word of explanation about those you are most apt to encounter.

Fund Accounting

Each AAA receives Title III funds. It also may receive Title XX funds. In order to make sure the money is spent according to intent, both state and federal governments require separate accounting for each of the funds. This means that the budget and reports of expenditure must show how each of the separate funds will be, or has been spent.

Such record keeping can make it hard to know just how much things actually cost. Some staff positions, for instance, are paid out of more than one fund. Heat and electricity can be broken down between the titles. So an AAA budget has two sets of

figures: one that shows the expenditures by line item in each fund, and another that shows the actual costs of each program.

Matching Funds

For certain kinds of programs the federal government will provide 100% of the funding. For others, the government requires that some of the costs be paid by local sources. This is known as a "local match". Title III funds in 1978, for instance, required a 25% match from each community to whom Title III services were provided. The match may be in cash or in kind. In-kind match allows materials given to the agency, and hours of volunteers to be counted as cash equivalents.

The formula can change from year to year. Ask the staff to give you periodic updates on the matching requirements of the various Titles. As a Finance Committee, you review the match and make sure full advantage is taken of all in-kind possibilities.

Fiscal Year

A fiscal year represents the 12-month period for which a budget is planned. Most of us operate on a calendar year, from January through December. Massachusetts state and local governments, however, have a fiscal year that runs from July through June. And the fiscal year of the federal government runs from October through the following September.

Because of the funding relationship described earlier, the Department of Elder Affairs sets the fiscal year for all the AAA's in the State.

Yearly Reporting Schedule

Public moneys require an unusual number of reports to be filed. Each board member needs a schedule which shows, by month, the tax returns and fiscal reports which must be filed each year. This will allow everyone to feel comfortable their obligations are being fulfilled, since they will be able to ask, via the Finance Committee, the right questions of staff at the right time. Again, it is up to the staff to file the reports, and up to the board to see that it has been done.

The Budget - Planning Where the Money Will Go

Each year an AAA develops a plan for the following fiscal year, and a budget which will make the plan a reality.

The budget is an agency's main tool for financial planning and financial control. It lays out, for the twelve months of a fiscal year, a month by month projection of what income will come in, and what expenditures must be incurred to carry out the services and programs determined by the board. During the fiscal year, the budget serves as the standard against which expenditures are measured.

As previously noted, there are two sets of figures to be considered. The line item figures show how much money the AAA can expect from DEA, from which federal funds, and how the required match will be provided. They also show how much money will be allocated from each fund for the separate services, and how much for administrative purposes. The program figures show how much money will be allocated for each program, and for the different components within each program. Both sets of figures give annual totals, as well as monthly breakdowns.

The line item figures show DEA that the federal funds are being allocated according to the regulations governing their use. The program figures show the board the scope, cost, and relative priorities given each service.

The staff prepares the budget for the Finance Committee. As they begin their review, Committee members will want to have on hand:

- . the current priorities and program objectives for the coming year, as defined by the board;
- . reports from the Director and Personnel Committee on staffing, possible raises, and other related information;
- . and any changes anticipated in revenue, either from previous sources or possible new ones.

The Budget needs to reflect these factors. In addition, if the agency has plant and/or equipment, it must provide for depreciation. Depreciation accounting aims at distributing the value

of capital assets over the life expectancy of the property in a systematic and rational way. It is a process of allocation, and as a Finance Committee, you need to know what is being depreciated, why, and how.

These are all elements to highlight when you present the budget to the board for its approval. But before giving the budget to the board, you will want to review it with DEA. DEA must approve all AAA budgets before the funds can be given. Both staff and Finance Committee representatives should be present for the DEA review, since both will have to deal with any issues which might arise.

Adoption of the Budget by the Board

The Finance Committee presents the budget to the board for its approval. A budget is the concrete statement of an agency's purpose and program, and its adoption is an important board action. Traditionally, board members are given too little time to consider the figures, and too little information about their meaning. Even if it involves a special meeting for the purpose, the budget should be discussed and reviewed at least one session before the board votes on it. This allows everyone time to think about its implications.

Happily, most of the forms required by DEA make the budget fairly clear to the layman, but the significant factors should

be reviewed individually. As you present the budget, point out:

- . any significant changes either in expenditures or income from last year;
- . the reasons for the changes;
- . how the board's priorities are reflected in the figures; and
- . any issues which may arise during the course of the year, or which DEA may have raised.

The budget is adopted by a majority vote of the board, which should take place at least a month before the end of the fiscal year.

Accounting - Knowing Where the Money Has Gone

The financial procedures of the agency, once properly set, will let you know exactly where the money is being spent, and will allow you to compare, each month, the expenditures projected in the budget with those that actually occurred.

An AAA's accounting system works on an accrual basis. Expenses are reported in the month they are incurred, whether they have actually been paid or not. Income too is reported, even though it may not have been received when due. This allows you to see more clearly what the AAA's real financial position is at any given moment.

The collection of statistics, the keeping of the books, and

the preparing of the various reports are all staff activities. The agency's accounts are reviewed monthly. The Committee may delegate this review to the Treasurer, or to another of its members, as long as things seem to be progressing according to plan, and the Committee meets at least quarterly to review the figures as a group. The Finance Committee also reviews the financial statement which the staff prepares for each board meeting. The statement shows:

- . whether income is being received as expected;
- . whether the expenditures are in line with what the budget projected;
- . whether the projected income still looks sufficient to meet the projected expenses; and
- . whether the necessary reports have been filed.

Any deviations, such as an increase in expenditures over what the budget had projected for that period of time, should be explained. The financial report is also shared with the AAA's Advisory Council.

Meeting With the Outside Auditor

Each year the outside auditor submits a report about the state of the agency's books and the effectiveness of the agency's financial management. The auditor meets with the staff in the course of preparing the report. Once the report is completed, the Finance Committee meets with the auditor alone to review its

contents. A summary of the review is then shared with the full board. The Finance Committee may also want to meet with the auditor during the course of the year, but that usually is not necessary. A plan of action is prepared by the staff to deal with any weaknesses in the system which the audit may reveal. The plan is reviewed by the staff with the auditor, and the Finance Committee then oversees the plan's implementation.

Contracts with Other Agencies

A word about reviewing the grants an AAA makes to another agency. While the staff picks the agency and negotiates the contract, it is the board who has the final approval through a sign-off by the chairman. The board reviews with the Director the quality of the agency's programs, and the Finance Committee reviews its financial stability. If the agency with whom the AAA is contracting has a board of directors, the respective Finance Committees can meet to go over the financial aspects of the contract and the agency's financial procedures. This demonstrates the seriousness with which the AAA board views its obligations, and helps assure the accountability of the contracting agency.

Orientation of New Members

Each new board member needs a copy of the agency's budget, and the financial reports of the previous two or three months, to get a sense of the AAA's financial scope and its ability

to plan and oversee its expenses. Since many people find financial statements difficult to read, a personal conversation between a Finance Committee member and a new board member will help the recruit become comfortable with the process by which the board deals with its financial responsibilities. New members of the Advisory Council will also profit from this type of orientation.

FOR THE PERSONNEL COMMITTEE

Purpose of the Committee: to see that staff is selected and supported according to legal requirements, and in such a way as to allow them to do their best work.

Activities of the Committee:

- . to develop, for board approval, and periodically update a set of personnel policies and procedures;
- . to develop, for board approval, a job description for the Director, and to review the job descriptions of other staff;
- . to participate in recruiting and hiring a Director;
- . to participate in an annual review of staff performance;
- . to review salary schedules and fringe benefits of staff each year as part of the budget process; and
- . to meet regularly with the Director, and report to the board, on any personnel matters which might arise.

Personnel matters are central to the work of a board. For one thing, nothing affects the quality of an agency's programs more than the quality of its staff, and nothing affects the work of the staff more than the care and sensitivity with which it is chosen, supervised, and supported. For another, there are federal regulations governing the hiring and firing of staff which need strict adherence.

Board involvement with personnel matters is through:

- . the development of personnel policies and procedures:
- . the hiring and firing of the Director;
- . annual performance appraisals; and
- . overseeing compliance with the personnel requirements of federal funds.

A board delegates these matters to a Personnel Committee, to receive the kind of attention they merit, but always reserving the final decisions in all areas. The board needs to be intimately involved with the Committee's work, particularly in the hiring and firing of a Director.

Membership

As with most committees, five is a good number. The membership can come from the AAA's Advisory Council as well as from the board. It can also include someone from outside these groups if a particular skill is needed.

It is important that there be two or three members with experience in the area of personnel practices, unemployment benefits, disability insurance and workmen's compensation, and organizational development. It is equally important there be one or two members sensitive to personal relations, and the way in which they affect the quality of services.

Personnel Policies and Procedures

Each agency needs a set of policies and procedures which tells the staff what it can expect in the way of:

- . hiring practices
- . wages and salaries
- . length of work week and overtime compensation
- . holidays with pay and vacation time
- . leaves of various kinds, such as for illness, education or maternity
- . staff development and continuing education
- . promotion and retirement
- . fringe benefits, those paid entirely by the employer or the employee, and those paid in part by both
- . job description and performance evaluation
- . resignation and termination procedures
- . grievance and appeals procedures

Government regulations provide some fairly specific guidelines in many areas, and DEA will keep you posted on

changes as they arise. Call the Equal Employment Opportunity officer of DEA at 727-7750 if you have any questions.

DEA also keeps copies of the various AAA policies and procedures in its library, available to you as a convenient resource. Since your AAA is one of many, you will want to see that whatever policies and salaries you choose are reasonably in tune with those of the other Area Agencies.

If your AAA already has a set of policies and procedures, the Personnel Committee need only review them each year. In doing so, you will want to encourage the staff to tell you what changes, if any, they feel would be helpful. Issues most likely to arise center around maternity and education leave, and termination procedures.

Each board member should have a copy of the policies and procedures, and Advisory Council members might want them as well.

Job Descriptions

Every staff member needs a good job description, to provide direction in his or her work, and a standard against which to measure performance. It also helps an agency run smoothly if each staff member - and the board - has a clear understanding not only of his or her own responsibilities, but also of those of others. (Actually, a job description for board members, and for members of each of the standing committees, can

also be very helpful.)

The board (through the Personnel Committee) writes the job description for the Director. The Director prepares the descriptions of other staff positions and reviews them with the Personnel Committee. While the AAA network has much in common, each agency is unique, and will need to tailor its descriptions to its own individual needs. DEA, in its library, has copies of the job descriptions which have been used by the different AAA's. You may want to review them occasionally, particularly if you are about to recruit a new Director.

As in the case of the policies and procedures, the staff members affected should be involved in reviewing their job descriptions, probably at the time of their performance evaluation.

Performance Evaluation

We all need thoughtful and supportive feedback on what we do, whether our jobs be paid or volunteer. Staff needs it from the Director, and the Director needs it from the board.

The job description serves as the basis for the annual performance evaluation. The Personnel Committee usually conducts the evaluation of the Director. If an ad hoc group is set up by the board for this purpose, one or two members of the Committee should be included.

Traditionally, the person being evaluated is first asked for a self-evaluation. The board can provide the self-assessment tool, using either a list of competencies or the job description as a basis, or the Director can provide his or her own checklist. It shows respect for a Director's own professional and personal knowledge to let him or her take the initiative in an assessment, and usually people have a good idea of what they can and cannot do well. It can also avoid tension if the board finds the Director has put the finger on some weakness about which the board itself had concern.

Often, a more constructive and candid evaluation can take place if it is understood that only a general report will be made part of the written record. How well the goals and objectives of the year's plan have been met can provide a measure of the Director's ability to plan, to organize the work, and to monitor its implementation. What is not so easy to measure is the manner in which that has been carried out - the interpersonal relations, the quality of supervision, the level of candor in dealing with the board, or the esteem with which the Director is held in the broader community. If the Committee and Director have worked well together during the year, it will be possible to raise any concern in a supportive way. Board members will be able to air their feelings, and the Director will be able to discuss aspects of the board's conduct which make the management of the agency difficult.

The Director also reviews evaluations of other agency staff with the Personnel Committee, and the Committee shares a summary of all the findings with the full board.

Selection of a Director

The Personnel Committee usually takes the lead role if it becomes necessary to hire a new Director. As the process begins, Committee members will need to have on hand:

- . a job description;
- . a list of federal and state recruitment requirements with which you must comply (and which DEA can give you);
- . personnel policies and procedures to give prospective candidates; and
- . a good understanding, gathered through discussion with the board and with the outgoing Director and remaining staff, about the management needs of the agency at the particular moment.

The hiring process includes;

- . how the job will be advertised;
- . how the applicants will be screened;
- . how the final decision will be reached; and
- . how the applicants will be notified once the Director has been chosen.

Since you are acting on behalf of the board, you review with them the job description, the selection process, and the criteria to be used in screening applicants before you actually

begin.

You will undoubtedly hear from more prospective candidates than you can possibly interview. A good rule of thumb is to see the dozen or so strongest applicants, and every staff member of the AAA who applies for the job.

It is important to respect the confidentiality of the applicants, if they so request, but since they must make the final choice, the entire board may want to interview the three or so finalists, and maintaining confidentiality can be difficult. Both the finalists and the board should have an explicit understanding of the confidentiality issue.

And the way applicants hear about the final decision says a great deal about a board. Applicants may not like your selection, but they will respect your professionalism if they hear from you directly and promptly, and are thanked for their interest, and if possible, told about the final choice before they read about it in the newspapers.

* * * * *

A Personnel Committee deals in a sensitive area. Boards do not generally get involved in individual staff, but a Director sometimes needs to talk over a concern, and occasionally board members want to check on matters that have been brought to them. A Personnel Committee that is discreet, and responsive to the delicate nature of the issues, can be an invaluable resource to both Director and the full board.

FOR THE MEMBERSHIP COMMITTEE

Purpose of the Committee: to see that officers and members of the AAA Board and Advisory Council are well chosen and well oriented, and that the composition of both groups complies with regulations.

Activities of the Committee:

- . to oversee the nomination of Board and Council members;
- . to nominate Board and Council officers;
- . to assist the President and Committee Chairs in making committee assignments;
- . to arrange orientation for new members;
- . to maintain a file of possible new members; and
- . to review periodically the by-laws and regulations governing selection of members and officers.

The work of the AAA Membership Committee differs from that of most Nominating Committees because of two unique features of AAA governance:

(1) Whereas board nominees are generally selected by current board members, only a handful of AAA board members are chosen that way. Regulations require that 51% of an AAA board be chosen by Councils on Aging, and many others are picked by municipal officials, or through area elections.

(2) Whereas hardly any other board of governance has an Advisory Council, an AAA board has one mandated by law.

A word about Advisory Council/AAA board relationships as we begin. Federal regulations state that the Advisory Council (a) must represent program participants and the general public, including low income and older minority persons, at least in proportion to the number of minority older persons in the area; and (b) at least half of the members must be actual consumers of services mentioned in the area plan. Often these same categories are already represented on the AAA board, making it difficult to distinguish between board and Council. Even the members themselves are sometimes confused about the purpose and need for two groups.

Yet they are different. By law, the board bears responsibility for the agency's internal workings, its finances and staff. By regulation, the Advisory Council has primary

oversight of the planning for programs and services. Beyond these two areas, each group may take on, separately or collectively, whatever other appropriate activities they wish. But for the board and Council to function effectively, the roles of each must be clearly defined, complementary, coordinated, and well understood by all participants.

All this creates an on-going need to clarify and explain the respective roles to current and prospective members, and to see that the board and Council are working in a mutually supportive manner. It also creates a need to coordinate the selection process, and to maintain on-going contact with those outside elements sending nominees to either board or Council. Having one group perform all these functions will make the system run more smoothly, and for this reason these activities, in this manual, make up the bulk of the Membership Committee's responsibilities.

Makeup of the Committee

The Membership is usually larger than the Personnel or Finance Committees, in order to represent the various constituencies and to reach out to the broader community. Individuals uninvolved with the AAA, or even with the elderly network, can be asked along with members from the board and Council. The group needs:

- . a broad knowledge of the service and social networks of the community;

- . an appreciation of the skills necessary to both board and Council;
- . an understanding of the elderly's needs and programs currently available; and
- . a sense of how groups function.

Because it is a committee of the board, it is customarily chaired by a board member.

There are four steps in bringing new members onto an AAA board or Council: selection, recruitment, assignment, and orientation. A brief word about each.

1. Selection of Candidates

To choose the right nominees, one must understand the needs of a group at any given moment. Therefore, as a first step the Committee clarifies the purpose of each group, lists the skills required to carry out their respective functions, and inventories the skills currently represented. Here the usefulness of one committee serving both board and Council comes in, since skills can be included on one body and made available to the other through committees composed of members from both bodies.

The chart at the end of this section suggests one approach to this analysis. The categories of age and ethnic origin reflect the requirements of federal and state guidelines (which can change, so check with DEA from time to time to make sure you are in compliance). The skills listed reflect the subject

matter with which both groups must deal. Group process - sensitivity to how people interact - is included among the more obvious areas of medicine, law, housing and health.

Filling out the chart points up what skills are lacking, and so what to look for in new members. This information can then be shared with Councils on Aging, municipal officials, and other outsiders or present members who appoint or suggest new recruits.

Also at the end of this section is a suggested nomination form to provide information needed for selection and committee assignments. A committee can ask CoA's and other nominating groups to use this same form, so that the Committee can then have the information for its own purposes. The Committee can also ask to sit down with each group to review the purposes of the board or Council, the skills each currently possesses, and those each would like to see added.

Another item to review with each nominating group is the selection process to be followed. AAA's are getting more and more public attention, and you may find a growing number of people interested in being chosen for board or Council. For that reason, there is considerable interest in the nomination process itself, and how open it appears to be. An open process can include an article in the local paper, for instance, telling of openings on the board or Council, inviting those interested to submit resumes, and outlining the selection process

to be followed. Or it can include an announcement on the local radio stations, which, incidentally, is a good way of publicizing the AAA's programs and services. Some CoA's may not be used to an open process and be uncomfortable with it as far as their own selections are concerned. They should at least be aware of the public's concern for openness, and the AAA's own selection system needs to reflect this new approach.

The Membership Committee checks with the full board and Council from time to time to make sure its work reflects the views of the larger groups.

2. Recruitment

Asking someone to join a board or Council is best done in a personal interview. An interview provides an atmosphere in which the recruit can ask questions comfortably, and provides the recruiter with some unexpected insights into the AAA's public image. It demonstrates to candidates a commitment not conveyed by a casual, "oh, by the way" added onto another conversation.

The Membership Committee discusses in advance the questions likely to arise in these interviews so that all members can give the same answers. The skills analysis answers the inevitable first question of "Why me?". Other questions to consider include the following:

- . What time commitment is being asked of board members?
of Council members?
- . What is the difference between the board's role and
that of the Council?
- . To whom is the Council advisory - board or staff, or
both?
- . What does the AAA board expect of its Council, and
Council of board?
- . Given its "advisory" status, how will the Council know
it has made a difference?

A statement of the AAA's purpose, a description of its programs, some figures to give a sense of size and scope, and a list of current board and Council members will help a nominee decide whether or not to accept membership. Many people also like to see a financial statement or the agency's budget.

3. Committee Assignments

A welcoming letter goes from the President to the new recruit as soon as he or she agrees to join the board or Council. A set of by-laws, and some minutes of previous meetings to give a flavor of current interests are often enclosed. This too is the moment to suggest a committee assignment, explaining the choice but always offering the new member a chance to suggest an alternative.

A committee Chair may want to talk over the Committee's activities to help persuade the person to join, but in any case sends his or her own welcoming letter once the assignment is accepted. A list of the new board and Council, and the committees, can be enclosed with this letter.

4. Orientation

By the time new members sit down to their first meeting, they have already received a lot of information. During the recruitment process, they hear about purposes and programs of the AAA. Welcoming letters have included by-laws, board lists, committee assignments, and minutes. Nevertheless, formal orientation is also necessary to review the agency's goals and activities, to discuss the role of the board and Council, and to provide an opportunity to meet one's fellow members.

All members, old and new, are encouraged to take part. Joint orientation sessions for board and Council are useful, although each will need some time alone to discuss their particular issues and to develop a group identity.

Orientation is also a good time for board and Council to meet the staff, to underscore their independence. At the beginning of the session, for instance, individual staff members can discuss briefly their particular areas, or if orientation includes a visit to office or programs, staff can discuss their respective roles at the appropriate site.

While the Membership Committee and staff plan the details of the orientation, the full board and Council contribute ideas on content and format.

Nomination of Officers

The Membership Committee also prepares the slate of officers for the annual meeting. Almost everyone has had some experience with this process, so little space will be given it here. If you are lucky, towards the end of each year, there will be general agreement over the likely officers for the year following. If not, just a few thoughts to bear in mind:

. The first page of the chapter, "For the President", explains "shared leadership". You will see the emphasis is on group responsibility and group decision-making, with the President helping the group carry out its mission rather than telling it what to do. In the old days the President was generally expected to exert a tighter control over the board's functions and decisions, with only a handful of other Board members playing active roles. "Shared leadership" asks each board member to take responsibility for the board's success, creates a more committed and participatory group, and is more in keeping with the court's interpretation of equal accountability.

. The relationship between President and Director has a strong effect on the work of board and agency.

. No individual is indispensable, even a perfect President. A limit to the number of years - perhaps two, maximum three - a person may serve in office will help move the responsibilities around, and do away with the tensions of replacing a poor choice. And exceptions can always be made if absolutely necessary.

. In many organizations the Vice President traditionally moves up. There is more flexibility, and again less tension, if it is clear this is not necessarily so.

. A Vice President is apt to be underemployed, yet perfectly capable of taking on specific tasks for the President, such as overseeing the work of committees, or doing some trouble shooting.

. The Secretary's slot can be hard to fill if the duties include the actual taking of minutes. It is customary nowadays for a staff member to do the notes, with the Secretary reviewing and editing the final draft.

Year Round Activities

Finally, a word about the need to continue the recruitment efforts over the course of a year. The bulk of the selection and recruitment takes place during the months immediately prior to the annual meeting, when new officers and members are voted in. However, during the year you and your colleagues are likely to hear of individuals who would be particularly well-suited for board or Council, or you may be contacted by someone interested in joining. Make a note for the files, using a form similar to the one at the end of this section. This will be helpful in filling vacancies that might arise during the year, and when the time comes to recruit for the following year.

* * * * *

Membership is an important job, one which generally gets too little attention. An AAA Membership Committee can help not only the quality of governance of the agency, but also the often confusing relationship between board and Advisory Council.

(NAME OF ORGANIZATION)

Candidate for Board Membership

Name: _____

Address: (Business) _____ Tel. _____

(Home) _____ Tel. _____

Occupation & Position: _____

Education and/or Training: _____

Other Organizations to which he or she belongs; _____

Activities in which he or she has been actively engaged: _____

What are his or her current interests in this organization? _____

What activities would particularly interest him or her? _____

Who should make the first approach? _____

Comments: _____

Sponsor: _____

Date: _____

Vocation/Interests

Ethnic
origin

Sex

Age

Board
analysis

Council on Aging

Arts

Group process

Mental Health

Health

Advocacy

Finance

Management

Media

Religion

Personnel

Political/Gov't

Education

Law Enforcement

Neighborhood/
Community

Real Estate

Minority

Caucasian

Female

Male

Over 65

51 - 65

36 - 50

21 - 35

Years on Board

Name

FOR THE PRESIDENT (and in all but a few obvious areas, for the Committee Chairs)

Purpose: to help the board carry out its mission

Specific Activities:

With regard to the board:

- . plans the board meetings with the Director and Committee Chairs;
- . plans and coordinates the workload of the board;
- . assigns and appoints Committee Chairs with board approval;
- . presides at board meetings;
- . reviews work of committees with Chairs;
- . develops new leadership; and
- . helps the board evaluate its effectiveness.

With regard to staff:

- . serves as primary link between board and staff through the Director.

With regard to the community:

- . serves as principal voice of the board.

The idea of leadership has changed during the last few years. The President of a board used to be the dominant figure, giving the group its flavor, exerting control over board decisions, and taking responsibility for most of the work.

Today, the focus is on group responsibility and group decision-making. Under "shared leadership" as the new system is called, the emphasis has shifted from one leader to many. Each member of a board takes part in doing the work, and in making the decisions.

Three recent developments are responsible for this change in leadership style:

1. New information on group behavior. Research has shown that shared leadership creates a more committed and participatory group. If you feel you are contributing and have a voice in the decisions, chances are you also feel a sense of commitment to your colleagues and an obligation to carry your share of the load.

2. The new emphasis by the courts on board accountability. Common sense says that in an era when all members are held equally accountable for board actions, it is only logical all members share in the work and in decisions.

3. A shift in board work. There are increasing numbers

of agencies like the AAA's which rely on public, rather than private, funding. This means fund-raising has been replaced by policy setting, program planning, and review of agency operations as the board's primary activities.

The President's role is equally important in both systems, but different. Under the old system - carried to the extreme - the President made decisions either alone, or with a selected few, and presented them to the board for pro forma ratification. Under shared leadership, the President is the discussion leader, coordinator, and facilitator. With a clear understanding of the tasks to be accomplished, the President helps the board understand its purpose, choose its priorities, organize its work, and achieve its objectives.

This new role for the President is both easier and harder to play: easier, because the work is more evenly distributed, making it less difficult to find people willing to take on responsibilities; harder, because it takes greater thought and planning to make the group work successfully.

Successful shared leadership depends on the care given to:

- . the planning of meetings;
- . the selection of committee members;
- . the delegation of responsibilities; and
- . the attitudes of participants towards one another.

It is the President who provides this care.

1. Planning the Meetings

The well planned meeting leaves each person glad to have come: things get done, the atmosphere was pleasant, the discussion lively, and the topics interesting, and his or her presence made a difference. This kind of meeting takes time and thought, but pays off handsomely in attendance and accomplishments. It is a team effort of President and Director.

The planning begins at the end of the previous meeting, when President and Director review the actions just taken, list the follow-up necessary, and agree on responsibilities. The President follows up on other board members, the Director on staff.

About two weeks before the meeting, the President, Director, and others as appropriate, meet to develop the agenda. The agenda is the planning and control instrument for a meeting, much as the budget is the planning and control instrument for finances. Prior to a particular meeting, the President contacts each Committee Chair to see what report will be given, how long it may take, what items are likely to provoke board discussion, and what actions will be required of the group. This allows the President to see how the Committee is progressing, as well as to estimate the time needed for each agenda item.

The format of the agenda can influence the attendance.

The two examples below show the difference in appeal.

Elderville AAA
Board of Directors
Meeting

Elderville AAA
Board of Directors Meeting

June 16, 1979	Town Hall, Elderville, June 16, 1979, 7:30 p.m. (place) (date) (time)
1. Minutes	1. Approval of minutes of May meeting (enclosed) (5 minutes)
2. Committee Reports	2. Committee Reports
a. Finance Committee	a. Finance Committee (Mr. Stone) Vote on changes in the 1980 budget (changes outlined in enclosed report) (20 minutes) Review of reporting system (5 minutes)
	b. Personnel Committee (Mrs. Siegel) Board will be asked for approval of process of selection and to review finalists for position of Director (30 minutes)
3. Director's Report	3. Acting Director's Report (Mr. Canniston) Update on office move, senior aid program, and Title XX negotiations (10 minutes)
4. Old Business	4. Old Business
	a. Possible sources of board nominees (Ms. Jersey) (5 minutes)
	b. Other
5. New Business	5. New Business
	a. New Commissioner (Mrs. Siegel) (10 minutes)
	b. Upcoming legislation (Mr. Riley) (15 minutes)
	c. Other

In general, meetings run no longer than two hours. If the agenda won't fit within that period, some reports may be written and mailed in advance, allotting meeting time only for questions or discussion. A review of the agenda at the beginning of the meeting to point out those items requiring most time, will inspire the board to move quickly through routine matters to concentrate on important issues.

The staff types, reproduces, and distributes the meeting packet ten days before the date. The packet includes, along with the agenda, minutes of the previous meeting, committee reports on which the board will be asked to act (such as financial reports), and background information. The early mailing will remind members of the time and date of the meeting, and allow them ample time to review the materials. Materials distributed at the meeting itself are for information purposes only.

2. Selection of the Committee Chairs (and Members)

We need to feel comfortable about those with whom we share responsibility. A President needs to have a major say in deciding who will be Committee Chairs, just as Committee Chairs need a major say about their committee members. The Membership Committee, however, because of their recruitment work, is well informed about skills and interests of individual board members, and can help both the President and

Committee Chairs in making their choices. Usually the President asks the board to approve Committee Chair selections. The only full committee which requires board approval is the committee which nominates new members and board officers.

3. Delegation of Responsibilities

Even though the board as a whole assumes responsibility for the workload, it is the President who assigns and coordinates the various activities and oversees their progress. Most tasks are carried out through the committees with ad hoc task forces or individuals taking care of any left over.

A mutual understanding of the assignment, and agreement that the committee can and will carry it out will prevent confusion or later disappointment. President and Chair agree on:

- . precisely what is to be done;
- . the limits of the committee's authority; and
- . his or her committee members.

The same agreement needs to be reached between the Chair and his or her committee members.

In addition, the President:

- . provides the necessary information to do the work,
or indicates where the information is available;

- . arranges for periodic follow-up to see if the work is progressing and if additional support can be offered; and
- . provides proper recognition for a job well done.

If the President reviews the assignments with all Committee Chairs as a group, and if the Chairs in turn share this information with their Committees, each person can see how each individual contribution fits into the overall purpose of the board.

Each board has an Executive Committee composed of Board officers and Committee Chairs. Executive Committees are useful for discussing and coordinating the various activities, and acting for the board in emergencies, but a word of caution. Unfortunately, they also have a tendency to create an "Inner Circle" aura, and to take on decision-making powers which properly belong to the board as a whole. It is easy to fall into this trap, and the President and Executive Committee members need to stay alert to the hazard.

4. The Climate

Old system or new, dominant President or leadership shared by many, it is the President who sets the climate in which the board conducts its business. A wise man once said that there are five "I's" present in any group that is

working well: listening, learning, linking, leveling, and lauding. This seems so true it is worth pausing a moment over each one.

Listening takes place in various ways:

- . listening to what is happening within the group - cliques developing, friction between certain members, ideas being disparaged rather than encouraged;
- . listening to what individuals are saying about their own interests and feelings; and
- . listening for common threads or early warning signals about concerns.

Learning obviously follows on listening, which in turn leads to linking: of individuals with tasks, board with community or staff, members with each other, problems with problem solvers, ideas with action.

Leveling is the most difficult of the "L's". It is hard to confront a group with, "I think we are falling apart, or bogging down in unimportant details, and what can we do about it?" Yet leveling on such issues makes others, who undoubtedly feel the same as you do, relieved that the fact has been openly recognized.

The risk of opening up the subject will be small if the discussion stays centered on group, rather than individual

behavior. Sometimes, however, individual behavior has to be dealt with too, but obviously in private. And that, too, is painful. To say to a fellow board member, "It is hard for others to speak when you hold the floor, or put down their views", is not easy, yet it needs doing for the sake of the group.

One way to handle a tough situation is through a periodic self-assessment by the board, a practice which is becoming more and more common. At the end of this chapter you will find a sample form. Filled out anonymously, the questionnaire allows each board member to express his or her feelings about the group, and the way the board conducts its business. The collective results of the questionnaire, shared with the board, can lead to discussions of problem areas and plans for corrective action without getting involved in personalities. If self-evaluation is done yearly, as a matter of course, it keeps members sensitive to how they interact, and each individual more aware of his or her effect upon the whole group.

Finally, lauding, or praising, is something we can never do too often. A job well done should be recognized, whether the work is paid or unpaid, done by one or many individuals. If the President listens, learns, links, levels and lauds, so will the others, and the group will prosper.

* * * * *

Relationship of President and Director

Find a well-functioning AAA, and chances are you find an open, supportive relationship between board and staff, and particularly between President and Director. In such a relationship, each person:

- . recognizes that neither can function successfully without the other;
- . levels with the other without defensiveness or fear of reprisal;
- . has confidence in each other's abilities to carry out assignments;
- . is willing to be supportive, once agreement is reached; and
- . understands the areas in which the board must hold itself responsible and accountable, and those in which the staff must do the same.

Poor relationships between the head of the board and the Director are felt throughout the agency, and hamper the work of both board and staff.

Communication between board and staff goes only through the President and Director. Any contacts between other board members and other staff, even the contacts between the Finance Committee and the Finance Officer, are cleared with these two, in order to keep President and Director aware of all activities.

It does not mean staff and board should not know each other. Indeed, a yearly event shared by all - even if no more than a cup of coffee - is important to demonstrate a common interest and mutual respect.

Relationship of President and Community

The public, be it media or community, wants to hear about the AAA, and a board wants a chance to explain or advocate positions. In order to avoid confusion, the board speaks through a single voice, that of the President or designee. The Board must feel confident its views are fairly presented. The public and media do not distinguish between individual views and those of the board, no matter how carefully the separation is explained. It is best to give no personal opinions when speaking for the board, since whatever is said will be taken as reflecting the whole board's position.

If the occasion is one in which it is only a question of explaining the AAA's programs and services, the Director may appear on behalf of the agency. The Director, however, never speaks on behalf of the board.

* * * * *

Shared leadership, while demanding thought and planning by the President, also offers him or her a great deal of support. If needs are clear and tasks specific, each board member is more apt to carry his or her share, and to feel responsible for the success of the whole group.

A Sample Self-Assessment for Boards

HOW ARE WE DOING?

Circle the number that most closely meets your feelings (1 is excellent, 5 is poor)

BOARD MEMBERSHIP:

1. The board membership meets the by-law requirements. 1 2 3 4 5
2. The Membership Committee meets throughout the year in order to develop and maintain a list of possible members. 1 2 3 4 5
3. The Membership Committee stays in touch with those selecting members to discuss board needs and offer assistance. 1 2 3 4 5
4. There is orientation provided for new board members. 1 2 3 4 5

COMMENTS: _____

BOARD PROCESS:

1. The board shares a common understanding of its purpose. 1 2 3 4 5
2. Each board member has an opportunity to take part in activities. 1 2 3 4 5
3. Each board member has an integral part in the work of the board. 1 2 3 4 5
4. Each committee or task force has a clear, written mandate or charge which is provided to each member. 1 2 3 4 5
5. Committee assignments are reviewed periodically and reports made to the full board. 1 2 3 4 5

6. Leadership is shared, i.e., committee chairs and board officers have clear responsibilities, clear channels of communication, and specific time commitments.

1 2 3 4 5

COMMENTS: _____

BOARD MEETINGS:

1. There are regularly scheduled board meetings. 1 2 3 4 5
2. A quorum is present for each meeting. 1 2 3 4 5
3. The agenda gives a clear indication of what will be discussed at the meeting, what reports will be given, and what actions taken. 1 2 3 4 5
4. Time is allotted for discussion of issues. 1 2 3 4 5
5. The agenda, minutes, and any necessary information for the meeting are received a week in advance of meeting. 1 2 3 4 5
6. The agenda is generally covered within the allotted time. 1 2 3 4 5
7. The chair helps members feel comfortable in expressing their views to one another. 1 2 3 4 5
8. Everybody present is encouraged to participate in the meeting. 1 2 3 4 5

COMMENTS: _____

What three changes, if any, do you think could help the work of the board and/or the organization?

